

Obama's "No New Jobs Zones"

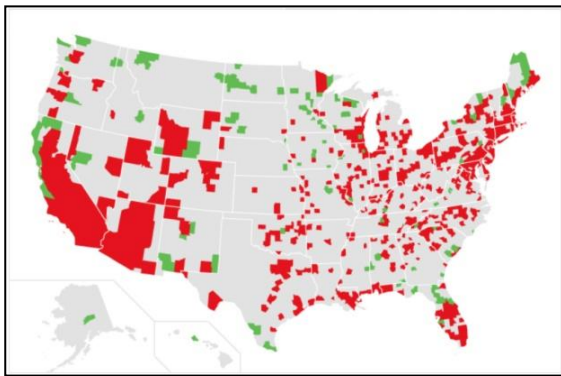
"The Single Most Expensive Environmental Regulation Ever Imposed on the U.S. Economy" – The Business Roundtable, 7/15/11¹

President Obama to Create Hundreds of No New Jobs Zones

In 2008, the Environmental Protection Agency (EPA) proposed lowering the National Ambient Air Quality Standard (NAAQS) for ground-level ozone to 75 parts per billion (ppb).² Just three years later, President Obama's EPA intends to lower this standard even further and has announced that it will soon finalize a proposal to lower ground-level ozone NAAQS to as low as 60 ppb. Media reports indicate that the final ozone standard may be 65 ppb.³

This regulatory action will throw hundreds of counties across America out of compliance with the new air standard, which will stifle investment, transportation funding, economic growth, and job growth – thereby creating virtual No New Jobs Zones across the country. According to the National Association of Manufacturers, this rule could cost up to 7.3 million jobs and result in annual attainment costs and reduced GDP of \$1.7 trillion by 2020.⁴

More Than Half of Unemployed Americans Would Live in Obama's No New Jobs Zones



■ Counties that would not meet 60 ppb standard
■ Counties that would meet 60 ppb standard

Source: [The Business Roundtable](http://TheBusinessRoundtable.com)

Economic growth in non-compliant counties will become increasingly difficult as new construction projects, energy production, and manufacturing facilities would need to comply with strict new federal regulations.

A recent Senate Republican Policy Committee analysis of county-level unemployment and air quality data found that the 65 counties that are currently out of compliance with the existing 75 ppb standard have an average 10.3 percent unemployment rate and have experienced very little job growth over the past 12 months.⁵

The analysis also showed that EPA's new proposed regulations will impact hundreds of additional counties that are already experiencing historically high unemployment.

If EPA lowers the ozone level to 65 ppb, a total of 419 non-compliant counties would be No New Jobs Zones.⁶ These counties currently are home to more than 7.3 million unemployed Americans.⁷

Worse yet, lowering the standard to the 60 ppb level would explode the total number of non-compliant counties to 627.⁸ Were this to occur, 9.2 million currently unemployed Americans would find themselves living in No New Jobs Zones.⁹

Under either of these reduced ozone standards, more than half of the 13.9 million unemployed Americans would be residents of President Obama's No New Jobs Zones.¹⁰ Thanks to the Administration's policies, these people would face the prospect of fewer job opportunities and longer periods of unemployment as job creators in their counties were forced to comply with new and overly burdensome EPA regulations.

Ozone NAAQS	Total Non-Compliant Counties	Total Unemployed Americans Living in No New Jobs Zones
75 ppb (current)	65	3 million
Proposed 65 ppb	419	7.3 million
Proposed 60 ppb	627	9.2 million

A Reasonable Approach to Ozone Standards

The Clean Air Act established a five-year review process for NAAQS, set to conclude in 2013. However, EPA has ignored this statutory requirement and has proposed more stringent standards two years ahead of schedule.

Last month, a bipartisan group of 35 Senators wrote to EPA Administrator Lisa Jackson requesting that EPA delay reconsideration of NAAQS for ozone until 2013.¹¹ Also, a bipartisan group of 91 Members of Congress recently wrote to Administrator Jackson with a similar request.¹²

Delaying reconsideration of ozone standards until 2013 would give the Administration and Congress adequate time to review the environmental impact of the 2008 standard as well as the potential economic impact of lowering the standard to as low as 60 ppb. It would also prevent President Obama's No New Jobs Zones from destroying additional jobs during a period of high unemployment and slow economic growth.

¹ Letter to Bill Daley on Ozone Regulations, from Andrew N. Liveris, Business Roundtable, July 15, 2011, <http://goo.gl/34h72>

² National Ambient Air Quality Standards (NAAQS), EPA, <http://www.epa.gov/air/criteria.html>

³ "EPA ozone proposal draws fire," by Tim Devaney, Washington Times, July 17, 2011, <http://goo.gl/esFA5>

⁴ "Economic Implications of EPA's Proposed Ozone Standard," Manufacturers Alliance, September 2010 <http://www.mapi.net/Filepost/ER-707.pdf>

⁵ RPC analysis of EPA air quality data and county level unemployment, <http://rpc.senate.gov/public/index.cfm?p=no-new-job-zones>

⁶ Ibid.

⁷ Ibid.

⁸ Ibid.

⁹ Ibid.

¹⁰ Ibid.

¹¹ "Sessions Leads Bipartisan Effort Asking EPA To Not Change Its Air Quality Standard," press release, July 26, 2011 <http://goo.gl/WFJn7>

¹² "Lawmakers ask EPA to keep waiting on ozone standard," Gabriel Nelson, E&E News, PM, June 23, 2011 <http://www.eenews.net/eenewspm/2011/06/23/archive/3?terms=ozone>